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**TOWN OF DUBACH
LOUISIANA**

**FINANCIAL STATEMENTS
JUNE 30, 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/11/02

TOWN OF DUBACH, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2002

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ACCOUNTANT'S COMPILATION REPORT

The Honorable Margaret Rogers, Mayor
and Town Council
Town of Dubach
P.O. Box 258
Dubach, Louisiana 71235

I have compiled the accompanying general purpose financial statements and supplementary information of the Town of Dubach, Louisiana, as of and for the year ended June 30, 2002, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated October 3, 2002, on the results of our agreed-upon procedures.



Don M. McGehee
Certified Public Accountant
October 3, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF DUBACH, LOUISIANA
COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

| | Governmental | | Proprietary | Fiduciary | Account | Totals |
|----------------------------------|-------------------|-------------------|---------------------|------------------|-------------------|---------------------|
| | Fund Types | | Fund Type | Fund Type | Group | |
| | General | Special | Enterprise | Trust | General | |
| | Fund | Revenue | Fund | Fund | Fixed | (Memoran- |
| | | | | | Assets | dum Only) |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 14,934 | \$ 27,209 | \$ 78,878 | \$ 2,769 | 0 | \$ 123,790 |
| Investments | 238,250 | 68,172 | 231,262 | 12,896 | 0 | 550,580 |
| Accounts Receivable | 0 | 0 | 14,336 | 0 | 0 | 14,336 |
| Ad Valorem Taxes Receivable--Net | 1,812 | 0 | 0 | 0 | 0 | 1,812 |
| Intergovernmental Receivable | 10,113 | 3,600 | 0 | 0 | 0 | 13,713 |
| Due from Grants | 12,206 | 0 | 0 | 0 | 0 | 12,206 |
| Due from Other Funds | 6,505 | 1,119 | 2,296 | 0 | 0 | 9,920 |
| Franchise Taxes Receivable | 3,204 | 0 | 0 | 0 | 0 | 3,204 |
| Prepaid Insurance | 3,124 | 891 | 295 | 0 | 0 | 4,310 |
| Insurance Deposit | 1,000 | 0 | 0 | 0 | 0 | 1,000 |
| Interest Receivable | 0 | 0 | 4,263 | 0 | 0 | 4,263 |
| Restricted Assets-- | | | | | | |
| Cash | 0 | 0 | 2,717 | 0 | 0 | 2,717 |
| Investments | 0 | 0 | 23,854 | 0 | 0 | 23,854 |
| Land and Buildings | 0 | 0 | 0 | 0 | 185,165 | 185,165 |
| Equipment | 0 | 0 | 0 | 0 | 184,528 | 184,528 |
| Other Improvements | 0 | 0 | 0 | 0 | 31,811 | 31,811 |
| Utility Plant and Equipment | 0 | 0 | 1,880,085 | 0 | 0 | 1,880,085 |
| Accumulated Depreciation | 0 | 0 | (970,677) | 0 | 0 | (970,677) |
| TOTAL ASSETS | \$ 291,148 | \$ 100,991 | \$ 1,267,309 | \$ 15,665 | \$ 401,504 | \$ 2,076,617 |

See accountant's compilation report.
See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
JUNE 30, 2002

| | <u>Governmental</u> | | <u>Proprietary</u> | <u>Fiduciary</u> | <u>Account</u> | <u>Totals</u> |
|-------------------------------------|---------------------|-------------------|---------------------|------------------|-------------------|---------------------|
| | <u>Fund Types</u> | | <u>Fund Type</u> | <u>Fund Type</u> | <u>Group</u> | |
| | <u>General</u> | <u>Special</u> | <u>Enterprise</u> | <u>Trust</u> | <u>General</u> | <u>(Memoran-</u> |
| | <u>Fund</u> | <u>Revenue</u> | <u>Fund</u> | <u>Fund</u> | <u>Fixed</u> | <u>dum Only)</u> |
| | | | | | <u>Assets</u> | |
| LIABILITIES AND EQUITY | | | | | | |
| LIABILITIES: | | | | | | |
| Accounts Payable | \$ 5,771 | \$ 305 | \$ 1,877 | \$ 0 | \$ 0 | \$ 7,953 |
| Accrued Expenses | 1,019 | 135 | 810 | 0 | 0 | 1,964 |
| Due to Other Funds | 2,296 | 6,505 | 1,119 | 0 | 0 | 9,920 |
| Deferred Revenue | 1,409 | 0 | 0 | 0 | 0 | 1,409 |
| Payable from Restricted Assets-- | | | | | | |
| Customer Deposits | 0 | 0 | 26,571 | 0 | 0 | 26,571 |
| TOTAL LIABILITIES | <u>10,495</u> | <u>6,945</u> | <u>30,377</u> | <u>0</u> | <u>0</u> | <u>47,817</u> |
| EQUITY: | | | | | | |
| Contributed Capital | 0 | 0 | 1,585,252 | 0 | 0 | 1,585,252 |
| Investment in General Fixed Assets | 0 | 0 | 0 | 0 | 401,504 | 401,504 |
| Accumulated Deficit--Unreserved | 0 | 0 | (348,320) | 0 | 0 | (348,320) |
| Fund Balances-- | | | | | | |
| Reserved for Perpetual Care | 0 | 0 | 0 | 12,896 | 0 | 12,896 |
| Unreserved and Undesignated | <u>280,653</u> | <u>94,046</u> | <u>0</u> | <u>2,769</u> | <u>0</u> | <u>377,468</u> |
| TOTAL EQUITY | <u>280,653</u> | <u>94,046</u> | <u>1,236,932</u> | <u>15,665</u> | <u>401,504</u> | <u>2,028,800</u> |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 291,148</u> | <u>\$ 100,991</u> | <u>\$ 1,267,309</u> | <u>\$ 15,665</u> | <u>\$ 401,504</u> | <u>\$ 2,076,617</u> |

See accountant's compilation report.
See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE—GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2002

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total (Memoran- dum Only)</u> |
|---|-------------------------|-------------------------------------|--|
| REVENUES | | | |
| Taxes | \$ 32,066 | \$ 0 | \$ 32,066 |
| Fines | 2,188 | 0 | 2,188 |
| Licenses | 31,957 | 0 | 31,957 |
| Charges for Services | 0 | 23,690 | 23,690 |
| Interest | 10,057 | 3,149 | 13,206 |
| Intergovernmental | 51,904 | 29,057 | 80,961 |
| Grant Revenue | 23,024 | 394 | 23,418 |
| On Behalf Revenue | 3,600 | 0 | 3,600 |
| Miscellaneous | <u>13,501</u> | <u>95</u> | <u>13,596</u> |
| TOTAL REVENUES | <u>168,297</u> | <u>56,385</u> | <u>224,682</u> |
| EXPENDITURES | | | |
| General Government | 62,483 | 0 | 62,483 |
| Police | 67,457 | 0 | 67,457 |
| Highways and Streets | 12,566 | 0 | 12,566 |
| Sanitation | 0 | 45,112 | 45,112 |
| Capital Outlay | <u>36,022</u> | <u>0</u> | <u>36,022</u> |
| TOTAL EXPENDITURES | <u>178,528</u> | <u>45,112</u> | <u>223,640</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (10,231) | 11,273 | 1,042 |
| OTHER FINANCING SOURCES | | | |
| Operating Transfers In | <u>10,000</u> | <u>0</u> | <u>10,000</u> |
| TOTAL OTHER FINANCING SOURCES | <u>10,000</u> | <u>0</u> | <u>10,000</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES | (231) | 11,273 | 11,042 |
| FUND BALANCE-BEGINNING | <u>280,884</u> | <u>82,773</u> | <u>363,657</u> |
| FUND BALANCE-ENDING | <u>\$ 280,653</u> | <u>\$ 94,046</u> | <u>\$ 374,699</u> |

See accountant's compilation report.
See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
--BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2002

| | <u>GENERAL FUND</u> | | <u>SPECIAL REVENUE FUND</u> | | |
|---|---------------------|-------------------|-----------------------------|------------------|---|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance-- Favorable (Unfavorable)</u> |
| REVENUES | | | | | |
| Taxes | \$ 31,000 | \$ 32,066 | \$ 1,066 | \$ 0 | \$ 0 |
| Fines | 1,700 | 2,188 | 488 | 0 | 0 |
| Licenses | 26,000 | 31,957 | 5,957 | 0 | 0 |
| Charges for Services | 0 | 0 | 21,000 | 23,690 | 2,690 |
| Interest | 10,700 | 10,057 | (643) | 3,149 | 1,149 |
| Intergovernmental | 43,200 | 51,904 | 8,704 | 29,057 | 5,057 |
| Grant Revenue | 16,117 | 23,024 | 6,907 | 394 | 394 |
| On-Behalf Revenue | 3,600 | 3,600 | 0 | 0 | 0 |
| Miscellaneous | 13,650 | 13,501 | (149) | 95 | (87) |
| TOTAL REVENUES | <u>145,967</u> | <u>168,297</u> | <u>22,330</u> | <u>56,385</u> | <u>9,203</u> |
| EXPENDITURES | | | | | |
| General Government | 64,300 | 62,483 | 1,817 | 0 | 0 |
| Police | 74,848 | 67,457 | 7,391 | 0 | 0 |
| Highways and Streets | 15,400 | 12,566 | 2,834 | 0 | 0 |
| Sanitation | 0 | 0 | 0 | 45,112 | 7,699 |
| Capital Outlay | 63,961 | 36,022 | 27,939 | 0 | 0 |
| TOTAL EXPENDITURES | <u>218,509</u> | <u>178,528</u> | <u>39,981</u> | <u>45,112</u> | <u>7,699</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (72,542) | (10,231) | 62,311 | 11,273 | 16,902 |
| OTHER FINANCING SOURCES | | | | | |
| Operating Transfers from Other Funds | 10,000 | 10,000 | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES | <u>10,000</u> | <u>10,000</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES | (62,542) | (231) | 62,311 | 11,273 | 16,902 |
| FUND BALANCE-BEGINNING | <u>280,884</u> | <u>280,884</u> | <u>0</u> | <u>82,773</u> | <u>0</u> |
| FUND BALANCE-ENDING | <u>\$ 218,342</u> | <u>\$ 280,653</u> | <u>\$ 62,311</u> | <u>\$ 94,046</u> | <u>\$ 16,902</u> |

See accountant's compilation report.
See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS/FUND BALANCE
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2002

| | Enterprise Fund <u>Utility Fund</u> | Fiduciary Fund <u>Nonexpendable Trust Fund</u> | Totals (Memoran- dum Only) |
|---|---|--|----------------------------------|
| OPERATING REVENUES | | | |
| Water Sales | \$ 79,962 | \$ 0 | \$ 79,962 |
| Sewer Sales | 33,299 | 0 | 33,299 |
| Interest | 0 | 581 | 581 |
| Miscellaneous | 0 | 420 | 420 |
| Connecting and Re-connecting Fees | 1,150 | 0 | 1,150 |
| Delinquent Fees | <u>6,682</u> | <u>0</u> | <u>6,682</u> |
| TOTAL OPERATING REVENUES | <u>121,093</u> | <u>1,001</u> | <u>122,094</u> |
| OPERATING EXPENSES | | | |
| Bad Debts | 846 | 0 | 0 |
| Depreciation | 42,265 | 0 | 42,265 |
| Insurance | 6,291 | 0 | 6,291 |
| Legal and Accounting Fees | 4,173 | 0 | 4,173 |
| Miscellaneous | 204 | 314 | 368 |
| Operations and Maintenance of System | 13,393 | 0 | 13,393 |
| Office Supplies, Postage, and Printing | 1,252 | 0 | 1,252 |
| Outside Services | 1,750 | 0 | 1,750 |
| Safe Drinking Water Fee | 1,269 | 0 | 0 |
| Salaries | 37,641 | 0 | 16,184 |
| Sewer Pond Inspection | 1,063 | 0 | 1,063 |
| Taxes-Payroll | 3,006 | 0 | 3,006 |
| Travel | 427 | 0 | 427 |
| Truck Allowance | 1,675 | 0 | 0 |
| Truck Maintenance and Operations | 1,227 | 0 | 1,227 |
| Utilities | <u>10,089</u> | <u>0</u> | <u>10,089</u> |
| TOTAL OPERATING EXPENSES | <u>126,571</u> | <u>314</u> | <u>101,488</u> |
| OPERATING INCOME (LOSS) | (5,478) | 687 | 20,606 |
| NON-OPERATING REVENUES | | | |
| Interest Income | <u>10,759</u> | <u>0</u> | <u>10,759</u> |
| TOTAL NON-OPERATING REVENUES | <u>10,759</u> | <u>0</u> | <u>10,759</u> |
| INCOME BEFORE OPERATING TRANSFERS | 5,281 | 687 | 687 |
| OPERATING TRANSFERS TO OTHER FUNDS | | | |
| Transfer Out to General Fund | <u>(10,000)</u> | <u>0</u> | <u>(10,000)</u> |
| TOTAL OPERATING TRANSFERS TO OTHER FUNDS | <u>(10,000)</u> | <u>0</u> | <u>(10,000)</u> |
| NET INCOME (LOSS) | (4,719) | 687 | (9,313) |
| FUND BALANCE/(ACCUMULATED DEFICIT)-BEGINNING | <u>(343,601)</u> | <u>14,978</u> | <u>(328,623)</u> |
| FUND BALANCE/(ACCUMULATED DEFICIT)-ENDING | <u>\$ (348,320)</u> | <u>\$ 15,665</u> | <u>\$ (337,936)</u> |

See accountant's compilation report.

See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2002

| | Enterprise Fund Utility Fund | Fiduciary Fund Nonexpendable Trust Fund | Totals (Memoran- dum Only) |
|--|---------------------------------------|--|----------------------------------|
| Cash Flows From Operating Activities | | | |
| Cash Received from Customers and Users | \$ 123,286 | \$ 420 | \$ 123,706 |
| Cash Payments for Goods and Services | (43,955) | (314) | (44,269) |
| Cash Payments to Employees | (39,302) | 0 | (39,302) |
| Net Cash Provided By Operating Activities | <u>40,029</u> | <u>106</u> | <u>40,135</u> |
| Cash Flows From Noncapital Financing Activities | | | |
| Operating Transfers to Other Funds | (12,356) | 0 | (12,356) |
| Net Cash Used By Noncapital Financing Activities | <u>(12,356)</u> | <u>0</u> | <u>(12,356)</u> |
| Cash Flows From Investing Activities | | | |
| Proceeds from Sale of Investments | 227,763 | 0 | 227,763 |
| Purchase of Investments | (255,115) | 0 | (255,115) |
| Interest Received | 12,040 | 581 | 12,621 |
| Net Cash Provided (Used) By Investing Activities | <u>(15,312)</u> | <u>581</u> | <u>(14,731)</u> |
| Net Increase In Cash | 12,361 | 687 | 13,048 |
| Cash At Beginning Of Year | <u>69,234</u> | <u>2,082</u> | <u>71,316</u> |
| Cash At End Of Year | <u>\$ 81,595</u> | <u>\$ 2,769</u> | <u>\$ 84,364</u> |
| Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities: | | | |
| Operating Income (Loss) | \$ (5,478) | \$ 687 | \$ (4,791) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities-- | | | |
| Depreciation | 42,265 | 0 | 42,265 |
| Interest Reported as Operating Income | 0 | (581) | (581) |
| (Increase) Decrease in Accounts Receivable | 2,599 | 0 | 2,599 |
| Increase (Decrease) in Prepaid Insurance | 335 | 0 | 335 |
| Increase (Decrease) in Accrued Expenses | (50) | 0 | (50) |
| Increase (Decrease) in Accounts Payable | (82) | 0 | (82) |
| Increase (Decrease) in Customers' Deposits | 440 | 0 | 440 |
| Total Adjustments | <u>45,507</u> | <u>(581)</u> | <u>44,926</u> |
| Net Cash Provided By Operating Activities | <u>\$ 40,029</u> | <u>\$ 106</u> | <u>\$ 40,135</u> |

See accountant's compilation report.
See accompanying notes to financial statements.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

The Town of Dubach, Louisiana, was incorporated in 1898, under the provisions of the Lawrason Act. The Town operates under a Mayor-Council form of government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local government. The accounting and reporting policies of the Town of Dubach, Louisiana, conform to these generally accepted accounting principles and the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

A. Reporting Entity

Based upon standards for defining and reporting on the financial reporting entity, the Town of Dubach is a primary government. Component units can be identified by financial accountability and whether exclusion would create misleading or incomplete financial statements. No component units of the Town of Dubach were identified.

B. Fund Accounting

The accounts of the Town of Dubach are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. The various funds are grouped, in the financial statements in this report, into three broad fund categories and four generic fund types. The following funds and group of accounts are used by the Town of Dubach:

Governmental Funds--

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Funds--

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing water and sewer services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds--

Nonexpendable Trust Fund

Nonexpendable trust funds are used to account for assets held by the Town on behalf of outside parties, including other governments, or on behalf of other funds within the municipality. Non-expendable trust funds are accounted for in essentially the same manner as proprietary funds. The principal may not be expended.

General Fixed Assets Account Group--

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost. No depreciation is recorded on general fixed assets. General fixed assets are recorded as expenditures in the governmental fund type when purchased.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings/fund balance components. Operating statements of these funds present increases (e.g., expenses) in net total assets.

D. Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Town considers all governmental revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Those revenues susceptible to accrual are special assessments, taxes collected locally, franchise fees, reimbursement of federal excise taxes on fuel, and charges for services. Fines, occupational licenses, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants requiring expenditure for determining eligibility are recognized as revenue when the expenditure is made.

The accrual basis of accounting is utilized by proprietary fund types and non-expendable trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Town reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

E. Budgetary Practices

The Town of Dubach, Louisiana, adopted an operating budget, on a basis consistent with generally accepted accounting principles, on its governmental fund types for the year ended June 30, 2002, as required by generally accepted accounting principles as applicable to governmental units, and as required by Louisiana law. Prior to year end, the Town adopted an amended budget approving revisions to revenues. The amended budget for the General Fund and the Special Revenue Fund is presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

F. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, interest-bearing demand deposits, and short-term time deposits with original maturities of three months or less from date of acquisition.

Under state law, the Town of Dubach may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Deposits are carried at cost which approximates market value.

G. Restricted Assets

The "customer deposit" account is used to report proceeds from customers' meter deposits. A corresponding liability is presented to record these funds held by the enterprise fund.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Vacation and Sick Leave

Employees earn either one or two weeks of vacation time each year, depending upon years of service. Employees earn 12 days of sick leave each year. Vacation can be accumulated. There were no accumulated and vested vacation and sick leave benefits at year end.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles *requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.* Actual results could differ from those estimates.

J. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased.

The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| | |
|-------------------------|-------------|
| Water Utility | |
| Wells | 10 years |
| Lines and Tanks | 20-50 years |
| Sewerage Utility | |
| Pump Stations | 10 years |
| Lines | 30-50 years |
| Lift Stations | 15 years |
| Furniture and Equipment | 3-5 years |

All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair value on the date donated.

K. Investments

Investments are stated at cost or amortized cost. Discounts and premiums on the purchase of investments are amortized over the life of the investment remaining from the date of purchase to the date of maturity.

Under state law, the Town of Dubach may invest in time certificates of deposit with state banks organized under Louisiana law, national banks having their principal offices in Louisiana, and United States bonds, treasury notes, etc.

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Fund Equity

Reservations of fund balance represent amounts that are limited to outside third-party restrictions. The proprietary fund's contributed capital represents equity acquired through capital grants or other funds.

M. Bad Debts

Uncollectible amounts due for ad valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

N. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

O. Prepaid Insurance

Payments made to insurance companies for insurance coverage that will benefit periods beyond June 30, 2002, are recorded as prepaid items in the asset section of the balance sheet.

P. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Q. Comparative Data

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the government's financial position. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 - CASH

The Town maintains its cash accounts in various banks, which are insured by the Federal Deposit Insurance Corporation (FDIC). Each bank provides FDIC coverage of \$100,000 for all demand deposits and \$100,000 for all time deposits (time deposits are defined as any interest bearing account). At June 30, 2002, the demand deposits balance was \$124,872 and the carrying amount was \$123,566, of which \$100,000 was covered by FDIC insurance and the remainder of \$24,872 by pledged securities held by third party institutions.

Time deposits at June 30, 2002, had a bank balance of \$576,925 and a carrying amount of \$576,925, and were covered by \$200,000 of FDIC insurance and \$376,925 of pledged securities held by third party institutions.

Besides demand deposits and time deposits, the only other cash the Town has is \$450 of petty cash. Cash is carried at cost which approximates market value.

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 3 - AD VALOREM TAXES

Taxes are levied on a calendar year basis and become delinquent on December 31. The Town bills and collects its own Ad Valorem taxes. For the 2001 Ad Valorem Taxes, one rate of tax was levied on property within the corporate limits, as follows:

7.25 mills for the general maintenance of the Town. This millage was approved by the Town Council August 20, 2001. This millage is the maximum millage that can be assessed without the approval of voters.

For the year ended June 30, 2002, taxes of \$13,226 were levied on property. Taxes receivable at June 30, 2002 consisted of the following:

| | |
|-----------------------------------|-----------------|
| Taxes Receivable | \$ 1,905 |
| Allowance for Uncollectible Taxes | <u>(93)</u> |
| Net Ad Valorem Taxes Receivable | <u>\$ 1,812</u> |

NOTE 4 - INTERFUND RECEIVABLE/PAYABLE

Interfund receivable/payable balances resulting from interfund transactions are as follows:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------------------------|---------------------------------|------------------------------|
| General Fund | \$ 6,505 | \$ 2,296 |
| Special Revenue Fund-Garbage Fund | 1,119 | 6,505 |
| Utility Fund | <u>2,296</u> | <u>1,119</u> |
| Totals | <u>\$ 9,920</u> | <u>\$ 9,920</u> |

NOTE 5 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following at June 30, 2002:

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Enterprise Fund</u> |
|---|-------------------------|-------------------------------------|----------------------------|
| Sales Tax Due from the Lincoln Parish-Ruston Sales and Use Tax Collection Agency | \$ 8,054 | \$ 0 | \$ 0 |
| Hotel/Motel Taxes Due from the State of Louisiana | 654 | 0 | 0 |
| Sales Tax Dedicated to Garbage Collection from the Lincoln Parish Police Jury | 0 | 3,600 | 0 |
| Reimbursement from the State of Louisiana for Right-of-Way Maintenance | <u>1,405</u> | <u>0</u> | <u>0</u> |
| Total | <u>\$ 10,113</u> | <u>\$ 3,600</u> | <u>\$ 0</u> |

NOTE 6 - RESTRICTED ASSETS--PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at June 30, 2002:

| | |
|---------------------|------------------|
| Customers' Deposits | <u>\$ 26,571</u> |
|---------------------|------------------|

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 7 - CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets is as follows at June 30, 2002:

| | Beginning Balance <u>07/01/01</u> | <u>Additions</u> | <u>Deletions</u> | Ending Balance <u>06/30/02</u> |
|--------------------------------------|---|------------------|------------------|--------------------------------------|
| Land and Buildings | \$ 177,100 | \$ 8,065 | \$ 0 | \$ 185,165 |
| Equipment | 178,878 | 5,650 | 0 | 184,528 |
| Improvements Other than Buildings | <u>9,504</u> | <u>22,307</u> | <u>0</u> | <u>31,811</u> |
| Total | <u>\$ 365,482</u> | <u>\$ 36,022</u> | <u>\$ 0</u> | <u>\$ 401,504</u> |

A summary of proprietary fund type property, plant, and equipment at June 30, 2002, is as follows:

| | |
|-------------------------------|-------------------|
| Land | \$ 7,907 |
| Water Plant | 727,448 |
| Sewer Treatment Plant | 1,138,917 |
| Furniture and Equipment | <u>5,813</u> |
| Total | 1,880,085 |
| Less Accumulated Depreciation | <u>(970,677)</u> |
| Net | <u>\$ 909,408</u> |

**NOTE 8 - DEDICATION OF PROCEEDS AND FLOW OF FUNDS -
1/2% SALES AND USE TAX**

By a special election, duly called and duly held, on November 5, 1974, the qualified electors of Lincoln Parish authorized a 1/2 cent sales and use tax levy, as defined in Louisiana R.S. 47:301 to Louisiana R.S. 47:317, to be dedicated and used for the purpose of solid waste disposal. The proceeds of the sales tax, after paying reasonable and necessary cost and expenses of collecting and administering the tax and cost of operating and maintaining parish-wide solid waste disposal facilities and necessary equipment in connection therewith, is allocated and divided between the Lincoln Parish Police Jury and the incorporated municipalities of the parish according to a formula based upon the ratio that the population of each municipality or entity bears to the total population of the parish as shown by the most recent federal decennial census. The proceeds are restricted for use in the operation and maintenance of solid waste collection facilities, including equipment, furnishings, and other property in connection therewith.

NOTE 9 - ACCUMULATED DEFICIT

The accumulated deficit in the proprietary fund of \$348,320 arose due to the Town's water and sewer service revenue not being sufficient to cover the costs to operate the system and provide assistance to the general fund through operating transfers. The deficit is expected to continue. There are no plans for rate increases to alleviate this deficit.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 10 - OPERATING LEASE

The Town leased a building for \$25 per month from the Lincoln Parish School Board through a cooperative endeavor agreement. The agreement is for five years beginning July 30, 2001. The Town did not begin leasing the building until March, 2002.

NOTE 11 - COMPENSATION PAID THE ALDERMEN

The amount of compensation paid each board member for the year ended June 30, 2002, is as follows:

| | |
|-------------------|-----------------|
| Laverette Carrico | \$ 650 |
| Steve Copeland | 650 |
| Hattie Graham | 650 |
| Darrell McAdams | 375 |
| Davie Powell | 250 |
| Ronald Roberson | <u>650</u> |
| Total | \$ <u>3,225</u> |

NOTE 12 - ON-BEHALF PAYMENTS

Employees of the Town of Dubach's Police Department received salary supplements of \$3,600 from the State of Louisiana. There were no fringe benefits paid on this supplemental salary.

NOTE 13 - COMMITMENTS

As of June 30, 2002, the Town of Dubach was involved in a project, in cooperation with the State of Louisiana Department of Transportation and Development, to relocate some of its utility facilities to accommodate the State's highway project. The Town was approved to receive reimbursement from the State for most of the costs related to the project. The Town had made the following commitments related to this Utility Relocation Project as of June 30, 2002:

The Town of Dubach had a contract for \$59,700 with the Riley Company of Louisiana, Inc. for engineering fees. This contract will be funded almost entirely by a reimbursement from the State. As of June 30, 2002, the Town had incurred \$16,460 of charges under this contract and had received \$15,230 in state reimbursement.

SUPPLEMENTARY INFORMATION

**INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF DUBACH, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

| | <u>2002</u> | <u>2001</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Cash on Hand | \$ 450 | \$ 450 |
| Cash in Bank | 14,484 | 20,052 |
| Investments | 238,250 | 238,250 |
| Ad Valorem Taxes Receivable (Net of Allowance for Uncollectible Taxes of \$93 and \$157, Respectively) | 1,812 | 3,047 |
| Franchise Taxes Receivable | 3,204 | 3,314 |
| Hotels Taxes Receivable | 654 | 936 |
| State Department of Transportation Receivable | 1,405 | 1,405 |
| Sales Tax Receivable | 8,054 | 7,792 |
| Due from Grant | 12,206 | 137 |
| Due from Garbage Fund | 6,505 | 7,054 |
| Due from Utility Fund | 0 | 10 |
| Prepaid Insurance | 3,124 | 3,960 |
| Insurance Deposit | <u>1,000</u> | <u>1,974</u> |
| TOTAL ASSETS | <u>\$ 291,148</u> | <u>\$ 288,381</u> |
| LIABILITIES AND FUND BALANCE | | |
| LIABILITIES: | | |
| Accounts Payable | \$ 5,771 | \$ 2,204 |
| Accrued Payroll | 247 | 240 |
| Deferred Revenue | 1,409 | 2,826 |
| Due to Utility Fund | 2,296 | 0 |
| Payroll Taxes Payable | 757 | 2,227 |
| Sales Tax Payable | <u>15</u> | <u>0</u> |
| TOTAL LIABILITIES | <u>10,495</u> | <u>7,497</u> |
| FUND BALANCE: | | |
| Unreserved--Undesignated | <u>280,653</u> | <u>280,884</u> |
| TOTAL FUND BALANCE | <u>280,653</u> | <u>280,884</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 291,148</u> | <u>\$ 288,381</u> |

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2001

| | <u>2002</u> | | Variance-- Favorable (Unfavorable) | <u>2001 Actual</u> |
|--|-------------------|-------------------|--|------------------------|
| | <u>Budget</u> | <u>Actual</u> | | |
| REVENUES | | | | |
| Ad Valorem Tax | \$ 15,000 | \$ 15,979 | \$ 979 | \$ 15,018 |
| Fines | 1,700 | 2,188 | 488 | 5,718 |
| Franchise Tax | 16,000 | 16,087 | 87 | 20,978 |
| Interest Income | 10,700 | 10,057 | (643) | 16,538 |
| Grant Revenue | 16,117 | 23,024 | 6,907 | 5,907 |
| Hotel Tax | 2,000 | 2,741 | 741 | 3,754 |
| Miscellaneous | 7,350 | 4,613 | (2,737) | 6,529 |
| Occupational Licenses | 26,000 | 31,957 | 5,957 | 29,388 |
| On Behalf Revenues | 3,600 | 3,600 | 0 | 6,600 |
| Park Fees | 0 | 3,138 | 3,138 | 0 |
| Rent | 6,300 | 5,750 | (550) | 6,500 |
| Right-of-Way Maintenance | 2,800 | 2,809 | 9 | 2,759 |
| Sales Tax | <u>38,400</u> | <u>46,354</u> | <u>7,954</u> | <u>40,448</u> |
| TOTAL REVENUES | <u>145,967</u> | <u>168,297</u> | <u>22,330</u> | <u>160,137</u> |
| EXPENDITURES | | | | |
| General Government | 64,300 | 62,483 | 1,817 | 58,362 |
| Police Department | 74,848 | 67,457 | 7,391 | 94,221 |
| Street Department | 15,400 | 12,566 | 2,834 | 16,715 |
| Capital Outlay | <u>63,961</u> | <u>36,022</u> | <u>27,939</u> | <u>19,738</u> |
| TOTAL EXPENDITURES | <u>218,509</u> | <u>178,528</u> | <u>39,981</u> | <u>189,036</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (72,542) | (10,231) | 62,311 | (28,899) |
| OTHER FINANCING SOURCES | | | | |
| Operating Transfer In | <u>10,000</u> | <u>10,000</u> | <u>0</u> | <u>10,478</u> |
| TOTAL OTHER FINANCING SOURCES | <u>10,000</u> | <u>10,000</u> | <u>0</u> | <u>10,478</u> |
| DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES | (62,542) | (231) | 62,311 | (18,421) |
| FUND BALANCE-BEGINNING | <u>280,884</u> | <u>280,884</u> | <u>0</u> | <u>299,305</u> |
| FUND BALANCE-ENDING | <u>\$ 218,342</u> | <u>\$ 280,653</u> | <u>\$ 62,311</u> | <u>\$ 280,884</u> |

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
GENERAL FUND
SUPPORTING SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2001

| | 2002 | | Variance-- | 2001 |
|-------------------------------------|------------------|------------------|----------------------------|------------------|
| | Budget | Actual | Favorable (Unfavorable) | Actual |
| GENERAL GOVERNMENT | | | | |
| Building Repair and Maintenance | \$ 5,400 | \$ 6,981 | \$ (1,581) | \$ 5,053 |
| Christmas Decorations | 900 | 77 | 823 | 731 |
| Councilman Fees | 3,375 | 3,225 | 150 | 3,250 |
| Insurance | 6,000 | 6,378 | (378) | 4,694 |
| Legal and Accounting Fees | 8,500 | 9,040 | (540) | 4,870 |
| Mayor's Salary | 6,875 | 6,875 | 0 | 6,050 |
| Miscellaneous | 1,600 | 935 | 665 | 553 |
| Municipal Dues | 1,300 | 471 | 829 | 243 |
| Office Supplies | 2,000 | 2,423 | (423) | 2,969 |
| Rent | 0 | 100 | (100) | 2,250 |
| Salaries-Office | 18,000 | 16,429 | 1,571 | 16,465 |
| Salaries-Other | 0 | 0 | 0 | 629 |
| Taxes-Payroll | 2,200 | 2,022 | 178 | 2,016 |
| Tax Roll Expense | 850 | 675 | 175 | 535 |
| Telephone | 2,300 | 2,341 | (41) | 2,361 |
| Travel | 0 | 0 | 0 | 34 |
| Utilities | 5,000 | 4,511 | 489 | 5,659 |
| TOTAL GENERAL GOVERNMENT | \$ 64,300 | \$ 62,483 | \$ 1,817 | \$ 58,362 |
| POLICE | | | | |
| Auto Maintenance | \$ 6,500 | \$ 3,937 | \$ 2,563 | \$ 1,863 |
| Auto Operating Expense | 3,500 | 2,741 | 759 | 3,508 |
| Court Management Information System | 0 | 21 | (21) | 41 |
| Insurance | 10,800 | 6,971 | 3,829 | 10,287 |
| LA Law Enforcement Commission | 200 | 41 | 159 | 78 |
| Miscellaneous | 200 | 233 | (33) | 0 |
| On-Behalf Salary Expense | 3,600 | 3,600 | 0 | 6,600 |
| Salaries | 45,448 | 45,424 | 24 | 64,635 |
| Supplies | 500 | 151 | 349 | 1,076 |
| Taxes-Payroll | 3,500 | 3,750 | (250) | 5,449 |
| Telephone | 600 | 588 | 12 | 684 |
| TOTAL POLICE | \$ 74,848 | \$ 67,457 | \$ 7,391 | \$ 94,221 |
| STREET DEPARTMENT | | | | |
| Equipment Expense | \$ 300 | \$ 142 | 158 | \$ 898 |
| Insurance | 800 | 413 | 387 | 781 |
| Maintenance Supplies and Expense | 300 | 201 | 99 | 0 |
| Miscellaneous | 700 | 0 | 700 | 511 |
| Street Repairs and Maintenance | 500 | 562 | (62) | 597 |
| Utilities | 12,800 | 11,248 | 1,552 | 13,928 |
| TOTAL STREET | \$ 15,400 | \$ 12,566 | \$ 2,834 | \$ 16,715 |

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
GENERAL FUND
SUPPORTING SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2001

| | <u>2002</u> | | |
|-----------------------------|------------------|------------------|---|
| | <u>Budget</u> | <u>Actual</u> | <u>Variance-- Favorable (Unfavorable)</u> |
| | | | <u>2001 Actual</u> |
| CAPITAL OUTLAY | | | |
| General Government | \$ 61,061 | \$ 33,100 | \$ 27,961 |
| Police | <u>2,900</u> | <u>2,922</u> | <u>(22)</u> |
| TOTAL CAPITAL OUTLAY | <u>\$ 63,961</u> | <u>\$ 36,022</u> | <u>\$ 27,939</u> |

See accountant's compilation report.

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

GARBAGE FUND--

To account for the receipt and use of the Town's portion of a 1/2% sales and use tax levied by the Lincoln Parish Police Jury and for a related charge for garbage service levied by the Town. The tax proceeds are dedicated to operation and maintenance of solid waste collection and disposal facilities.

TOWN OF DUBACH, LOUISIANA
GARBAGE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

| | <u>2002</u> | <u>2001</u> |
|---|--------------------------|-------------------------|
| ASSETS | | |
| Cash in Bank | \$ 27,209 | \$ 16,824 |
| Investments | 68,172 | 67,256 |
| Accounts Receivable--Lincoln Parish Police Jury | 3,600 | 4,568 |
| Prepaid Insurance | 891 | 746 |
| Due from Utility Fund | <u>1,119</u> | <u>1,169</u> |
| TOTAL ASSETS | <u>\$ 100,991</u> | <u>\$ 90,563</u> |
| LIABILITIES AND FUND BALANCE | | |
| LIABILITIES | | |
| Accrued Payroll | \$ 135 | \$ 100 |
| Accounts Payable | 305 | 636 |
| Due to General Fund | <u>6,505</u> | <u>7,054</u> |
| TOTAL LIABILITIES | <u>6,945</u> | <u>7,790</u> |
| FUND BALANCE | | |
| Unreserved--Undesignated | <u>94,046</u> | <u>82,773</u> |
| TOTAL FUND BALANCE | <u>94,046</u> | <u>82,773</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 100,991</u> | <u>\$ 90,563</u> |

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
GARBAGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2001

| | <u>2002</u> | | | |
|--|------------------|------------------|--|------------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance-- Favorable (Unfavorable) | <u>2001 Actual</u> |
| REVENUES | | | | |
| Garbage Fees | \$ 21,000 | \$ 23,690 | \$ 2,690 | \$ 20,281 |
| Grant Revenue | 0 | 394 | 394 | 2,051 |
| Miscellaneous | 182 | 95 | (87) | 50 |
| Town's Portion of 1/2% Sales Tax | 24,000 | 29,057 | 5,057 | 26,831 |
| Interest on Investments | <u>2,000</u> | <u>3,149</u> | <u>1,149</u> | <u>3,633</u> |
| TOTAL REVENUES | <u>47,182</u> | <u>56,385</u> | <u>9,203</u> | <u>52,846</u> |
| EXPENDITURES | | | | |
| Capital Outlay | 0 | 0 | 0 | 5,830 |
| Insurance | 5,137 | 3,958 | 1,179 | 3,335 |
| Legal and Accounting | 1,000 | 700 | 300 | 900 |
| Other Expenses | 1,894 | 751 | 1,143 | 328 |
| Outside Services | 0 | 102 | (102) | 0 |
| Salaries | 32,880 | 28,920 | 3,960 | 28,346 |
| Taxes-Payroll | 2,400 | 2,273 | 127 | 2,162 |
| Truck Allowance | 800 | 850 | 0 | 0 |
| Truck Expenses | 7,300 | 6,639 | 661 | 4,917 |
| Utilities | <u>1,400</u> | <u>919</u> | <u>481</u> | <u>932</u> |
| TOTAL EXPENDITURES | <u>52,811</u> | <u>45,112</u> | <u>7,749</u> | <u>46,750</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (5,629) | 11,273 | 16,952 | 6,096 |
| FUND BALANCE--BEGINNING | <u>82,773</u> | <u>82,773</u> | <u>0</u> | <u>76,677</u> |
| FUND BALANCE--ENDING | <u>\$ 77,144</u> | <u>\$ 94,046</u> | <u>\$ 16,952</u> | <u>\$ 82,773</u> |

See accountant's compilation report.

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

UTILITY FUND--

To account for the provision of water and sewer services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF DUBACH, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

| | <u>2002</u> | <u>2001</u> |
|---|--------------------|--------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 78,878 | \$ 66,957 |
| Investments | 231,262 | 203,909 |
| Accounts Receivable | 14,336 | 16,935 |
| Due from General Fund | 2,296 | 0 |
| Accrued Interest | 4,263 | 5,544 |
| Prepaid Insurance | <u>295</u> | <u>630</u> |
| TOTAL CURRENT ASSETS | <u>331,330</u> | <u>293,975</u> |
| RESTRICTED ASSETS | | |
| Cash-Customers' Deposits | 2,717 | 2,277 |
| Investments-Customers' Deposits | <u>23,854</u> | <u>23,853</u> |
| TOTAL RESTRICTED ASSETS | <u>26,571</u> | <u>26,130</u> |
| PLANT AND EQUIPMENT | | |
| Plant and Equipment at Cost, Net of Accumulated | | |
| Depreciation of \$970,677 and \$928,412, Respectively | <u>909,408</u> | <u>951,673</u> |
| TOTAL ASSETS | <u>\$1,267,309</u> | <u>\$1,271,778</u> |
| LIABILITIES AND FUND EQUITY | | |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accrued Payroll and Other Expenses | 162 | 147 |
| Accounts Payable | 1,877 | 1,959 |
| Sales Tax Payable | 648 | 712 |
| Due to Garbage Fund | 1,119 | 1,169 |
| Due to General Fund | <u>0</u> | <u>10</u> |
| TOTAL CURRENT LIABILITIES | <u>3,806</u> | <u>3,997</u> |
| CURRENT LIABILITIES (Payable from Restricted Assets) | | |
| Customers' Meter Deposits | <u>26,571</u> | <u>26,130</u> |
| TOTAL LIABILITIES | <u>30,377</u> | <u>30,127</u> |
| FUND EQUITY | | |
| CONTRIBUTED CAPITAL | | |
| Municipality | 85,000 | 85,000 |
| Federal Grant | 184,146 | 184,146 |
| State Grant | <u>1,316,106</u> | <u>1,316,106</u> |
| TOTAL CONTRIBUTED CAPITAL | <u>1,585,252</u> | <u>1,585,252</u> |
| ACCUMULATED DEFICIT-UNRESERVED | <u>(348,320)</u> | <u>(343,601)</u> |
| TOTAL FUND EQUITY | <u>1,236,932</u> | <u>1,241,651</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$1,267,309</u> | <u>\$1,271,778</u> |

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

| | <u>2002</u> | <u>2001</u> |
|---|---------------------|---------------------|
| OPERATING REVENUES | | |
| Water Sales | \$ 79,962 | \$ 79,740 |
| Sewer Sales | 33,299 | 33,526 |
| Connecting and Reconnecting Fees | 1,150 | 1,475 |
| Grant Revenue | 0 | 1,000 |
| Delinquent Fees | <u>6,682</u> | <u>5,989</u> |
| TOTAL OPERATING REVENUES | <u>121,093</u> | <u>121,730</u> |
| OPERATING EXPENSES | | |
| Bad Debts | 846 | 181 |
| Depreciation | 42,265 | 42,608 |
| Dues | 150 | 0 |
| Insurance | 6,291 | 5,093 |
| Legal and Accounting Fees | 4,173 | 2,800 |
| Miscellaneous | 54 | 258 |
| Operations and Maintenance of System | 13,393 | 11,410 |
| Office Supplies, Postage, and Printing | 1,252 | 1,380 |
| Outside Services | 1,750 | 0 |
| Safe Drinking Water Fee | 1,269 | 1,181 |
| Salaries-Office | 16,184 | 16,291 |
| Salaries-Other | 8,424 | 8,219 |
| Salaries-Superintendent | 13,033 | 11,373 |
| Sewer Pond Inspection Fees | 1,063 | 850 |
| Taxes-Payroll | 3,006 | 2,736 |
| Travel | 427 | 0 |
| Truck Allowance | 1,675 | 0 |
| Truck Maintenance and Operations | 1,227 | 1,176 |
| Utilities | <u>10,089</u> | <u>13,537</u> |
| TOTAL OPERATING EXPENSES | <u>126,571</u> | <u>119,093</u> |
| OPERATING INCOME (LOSS) | (5,478) | 2,637 |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest Income | 10,759 | 14,215 |
| Reimbursement from State for Utility Relocation Costs | 0 | 15,230 |
| Utility Relocation Costs for State Highway Project | <u>0</u> | <u>(12,052)</u> |
| TOTAL NON-OPERATING REVENUES | <u>10,759</u> | <u>17,393</u> |
| INCOME BEFORE OPERATING TRANSFERS | <u>5,281</u> | <u>20,030</u> |
| OPERATING TRANSFERS TO OTHER FUNDS | | |
| Transfer Out to General Fund | <u>(10,000)</u> | <u>(10,478)</u> |
| TOTAL OPERATING TRANSFERS TO OTHER FUNDS | <u>(10,000)</u> | <u>(10,478)</u> |
| NET INCOME (LOSS) | (4,719) | 9,552 |
| ACCUMULATED DEFICIT - BEGINNING | <u>(343,601)</u> | <u>(353,153)</u> |
| ACCUMULATED DEFICIT - ENDING | <u>\$ (348,320)</u> | <u>\$ (343,601)</u> |

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
ENTERPRISE FUND-UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS--
FOR THE YEARS ENDED JUNE 30, 2002

| | <u>2002</u> | <u>2001</u> |
|--|------------------|------------------|
| Cash Flows From Operating Activities | | |
| Cash Received from Customers and Users | \$ 123,286 | \$ 121,367 |
| Cash Payments for Goods and Services | (43,955) | (42,837) |
| Cash Payments to Employees | (39,302) | (35,736) |
| Net Cash Provided By Operating Activities | <u>40,029</u> | <u>42,794</u> |
| Cash Flows From Noncapital Financing Activities | | |
| Operating Transfers from (to) Other Funds | (12,356) | (14,868) |
| Cash Received from State for Utility Relocation Costs | 0 | 15,231 |
| Cash Payments for Utility Relocation Costs | 0 | (12,052) |
| Net Cash Used By Noncapital Financing Activities | <u>(12,356)</u> | <u>(11,689)</u> |
| Cash Flows From Investing Activities | | |
| Proceeds from Sale of Investments | 227,763 | 210,064 |
| Purchase of Investments | (255,115) | (227,763) |
| Interest Received | 12,040 | 11,418 |
| Net Cash Used By Investing Activities | <u>(15,312)</u> | <u>(6,281)</u> |
| Net Increase In Cash | 12,361 | 24,824 |
| Cash At Beginning Of Year | <u>69,234</u> | <u>44,410</u> |
| Cash At End Of Year | <u>\$ 81,595</u> | <u>\$ 69,234</u> |
| Reconcillation Of Operating Income To Net Cash Provided By Operating Activities: | | |
| Operating Income (Loss) | \$ (5,478) | \$ 2,637 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities-- | | |
| Depreciation | 42,265 | 42,608 |
| (Increase) Decrease in Accounts Receivable | 2,599 | (1,267) |
| (Increase) Decrease in Due from Federal Government | 0 | 609 |
| (Increase) Decrease in Prepaid Insurance | 335 | (359) |
| Increase (Decrease) in Accrued Expenses | 15 | 147 |
| Increase (Decrease) in Accounts Payable | (82) | (3,005) |
| Increase (Decrease) in Sales Tax Payable | (65) | 340 |
| Increase (Decrease) in Customers' Deposits | 440 | 1,084 |
| Total Adjustments | <u>45,507</u> | <u>40,157</u> |
| Net Cash Provided By Operating Activities | <u>\$ 40,029</u> | <u>\$ 42,794</u> |

See accountant's compilation report.

Fiduciary Fund

Trust and agency funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

NONEXPENDABLE TRUST FUND--

Hamilton Memorial Cemetery Trust Fund--To account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain and care for the Hamilton Memorial Cemetery. This fund also receives contributions and proceeds from the sale of cemetery lots that can be used for maintenance and care of the cemetery.

TOWN OF DUBACH, LOUISIANA
FIDUCIARY FUND
HAMILTON MEMORIAL CEMETERY NONEXPENDABLE TRUST FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2002 AND 2001

| | <u>2002</u> | <u>2001</u> |
|-----------------------------|-------------------------|-------------------------|
| ASSETS | | |
| Cash in Bank | \$ 2,769 | \$ 2,082 |
| Investments | <u>12,896</u> | <u>12,896</u> |
| TOTAL ASSETS | <u>\$ 15,665</u> | <u>\$ 14,978</u> |
| FUND BALANCE | | |
| Reserved for Perpetual Care | 12,896 | 12,896 |
| Unreserved and Undesignated | <u>2,769</u> | <u>2,082</u> |
| TOTAL FUND BALANCE | <u>\$ 15,665</u> | <u>\$ 14,978</u> |

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
FIDUCIARY FUND
HAMILTON MEMORIAL CEMETERY NONEXPENDABLE TRUST FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2002 AND 2001

| | <u>2002</u> | <u>2001</u> |
|--|------------------|------------------|
| OPERATING REVENUES | | |
| Contributions | \$ 20 | \$ 0 |
| Sale of Lots | 400 | 900 |
| Interest in Investments | <u>581</u> | <u>858</u> |
| TOTAL OPERATING REVENUES | <u>1,001</u> | <u>1,758</u> |
| OPERATING EXPENSES | | |
| Supplies and Maintenance | <u>314</u> | <u>2,075</u> |
| NET INCOME (LOSS) | 687 | (317) |
| FUND BALANCE--BEGINNING OF YEAR | <u>14,978</u> | <u>15,295</u> |
| FUND BALANCE--END OF YEAR | <u>\$ 15,665</u> | <u>\$ 14,978</u> |

See accountant's compilation report.

TOWN OF DUBACH, LOUISIANA
FIDUCIARY FUND
HAMILTON MEMORIAL CEMETERY NONEXPENDABLE TRUST FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002 AND 2001

| | <u>2002</u> | <u>2001</u> |
|---|-----------------|-------------------|
| Cash Flows From Operating Activities | | |
| Cash Received from Lot Sales | \$ 400 | \$ 900 |
| Cash Received from Contributions | 20 | 0 |
| Cash Payments for Goods and Services | <u>(314)</u> | <u>(2,075)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>106</u> | <u>(1,175)</u> |
| Cash Flows From Investing Activities | | |
| Interest from Investments | <u>581</u> | <u>858</u> |
| Net Cash Provided by Investing Activities | <u>581</u> | <u>858</u> |
| Net Increase (Decrease) in Cash | 687 | (317) |
| Cash At Beginning Of Year | <u>2,082</u> | <u>2,399</u> |
| Cash At End Of Year | <u>\$ 2,769</u> | <u>\$ 2,082</u> |
| Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities | | |
| Operating Income (Loss) | \$ 687 | \$ (317) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities--Interest Reported as Operating Income | <u>(581)</u> | <u>(858)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 106</u> | <u>\$ (1,175)</u> |

See accountant's compilation report.

General Fixed Assets Account Group

To account for all fixed assets owned by the Town of Dubach that are not accounted for in proprietary or trust funds.

TOWN OF DUBACH, LOUISIANA
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS
JUNE 30, 2002 AND 2001

| | <u>2002</u> | <u>2001</u> |
|--|--------------------------|--------------------------|
| GENERAL FIXED ASSETS | | |
| Land and Buildings | \$ 185,165 | \$ 177,100 |
| Equipment | 184,528 | 178,878 |
| Improvements Other than Buildings | <u>31,811</u> | <u>9,504</u> |
| TOTAL GENERAL FIXED ASSETS | \$ <u>401,504</u> | \$ <u>365,482</u> |
| INVESTMENT IN GENERAL FIXED ASSETS | | |
| Property Acquired Prior to 7/1/63 | \$ 4,075 | \$ 4,075 |
| Property Acquired After 7/1/63 from-- | | |
| General Obligation Bonds | 50,781 | 50,781 |
| General Fund | 177,539 | 161,580 |
| Federal Revenue Sharing | 32,557 | 32,557 |
| Law Enforcement | 8,222 | 8,222 |
| Garbage Fund | 34,830 | 34,830 |
| Donations | 39,250 | 39,250 |
| State Grants | <u>54,250</u> | <u>34,187</u> |
| TOTAL INVESTMENTS IN GENERAL FIXED ASSETS | \$ <u>401,504</u> | \$ <u>365,482</u> |

See accountant's compilation report.

AGREED-UPON PROCEDURES

DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston, Louisiana 71273-1344

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Margaret Rogers, Mayor
and Board of Aldermen
Town of Dubach
P.O. Box 258
Dubach, Louisiana 71235

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Town of Dubach and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Town of Dubach's compliance with certain laws and regulations during the year ended June 30, 2002 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000 or for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the mayor and each council member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the mayor, each alderman, and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget and the budget amendments made during the year.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on June 18, 2001, which indicated that the budget had been adopted by the mayor and council members of the Town of Dubach. I traced the adoption of amendments to the budget to the minutes of a meeting held on June 17, 2002, which indicated that the budget amendments had been adopted by the mayor and council members of the Town of Dubach.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budget amounts by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenue and expenditures for the fiscal year did not vary unfavorably from budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six payments were coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the mayor.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 - 12 (the open meetings law).

The Town of Dubach is only required to post a notice of each meeting and the accompanying agenda on the door of the town hall. Management has asserted that such documents were properly posted. Inspection of the notices and agendas indicated each was marked by the mayor or clerk with the date it was posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

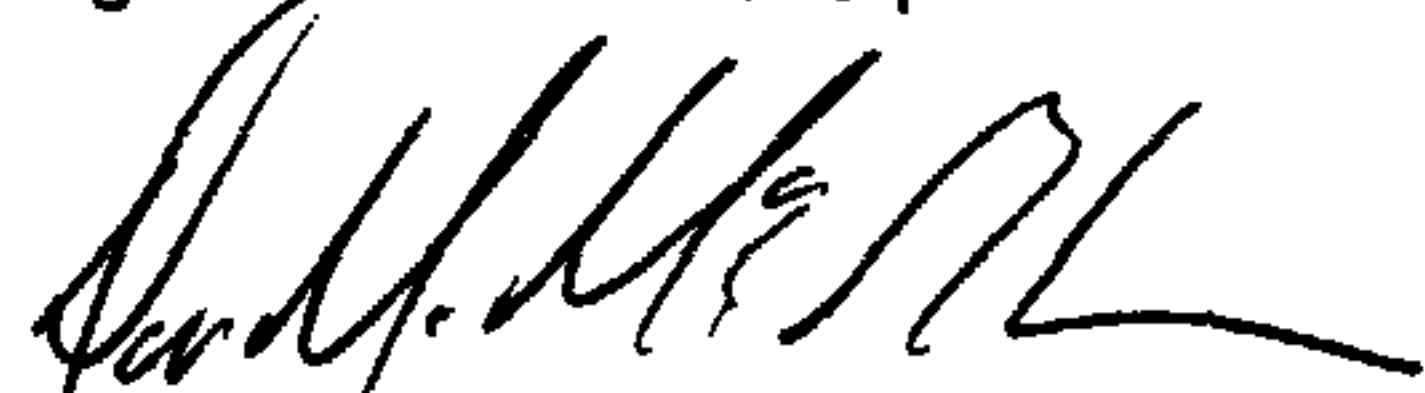
Advances and Bonuses

11. Examine payroll records for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of minutes of the Town for the year indicated no approval for any such payments. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Town of Dubach and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Don M. McGehee
Certified Public Accountant
October 3, 2002

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

8-20-02 (Date Transmitted)

DON McGEHEE, CPA
MICHELLE ROBINSON
806 N. TRENTON
RUSTON, LA 71270 (Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [☒] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [☒] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [☒] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [☒] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Cedace J. Laska Secretary 8-20-02 Date

Treasurer _____ Date

Margaret Pozee Myer 8-13-02 Date

OTHER REPORTS

**TOWN OF DUBACH, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2002**

SECTION I COMPLIANCE WITH CERTAIN LAWS AND REGULATIONS

FINDINGS

MANAGEMENT'S RESPONSES

No findings.

**TOWN OF DUBACH, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002**

SECTION I COMPLIANCE WITH CERTAIN LAWS AND REGULATIONS

FINDINGS

MANAGEMENT'S RESPONSES

2001-1 Evidence that agendas for meetings were posted on the door of the town hall in accordance with the open meetings law.

Resolved.